Special Notice

On behalf of the State of Utah, Division of Wildlife Resources (DWR), the Trust Lands Administration TLA) is offering for <u>SALE</u> the mineral interest described below. This one parcel is a <u>SALE</u> of mineral interest, not a lease, and is a minerals only offer without warranty of title. Purchaser is responsible for verifying title prior to making its bid. No refund will be given if title fails to all or part of the mineral estate.

Fifty-Percent Mineral Estate Interest:

DWR offers an undivided one-half interest in all oil, gas, naptha or minerals or oil producing substances, together with the right to prospect therefore and remove therefrom in the the following described property.

State of Utah, County of Duchesne

Property is described as:

All of lots 6 and 7, the same being the West Half of the Southwest Quarter of Section 6, <u>Township 2 South, Range 1 West, Uintah Special Meridian</u>. Also, the Southeast Quarter of the Southwest Quarter of said Section 6, <u>Township 2 South, Range 1 West, Uintah Special Meridian</u>.

Containing 58.715 net mineral acres, more or less. <u>Current mineral estate is leased.</u> <u>Lease is managed</u> by SITLA. Lease Reference Number SLA 82.0, COPY ATTACHED.

NOTE: Minimum Acceptable Price: (NOT DISCLOSED)

Surface Owner is:

A and R Development Company Rt. 1 Box 1131 Roosevelt, Utah 84066

More information can be obtained from Mr. Stan Bailey, DWR, at stanbailey@utah.gov.

This will be a sealed bid sale. Prospective bidders should clearly identify and note on the front of the sealed envelope that it is for DWR MINERAL INTEREST SALE PARCEL. Any bids not showing this information on the outside of the envelope will be rejected at the sole discretion of DWR.

Prospective bidders should clearly identify the following information in their bid envelope.

- 1. A bid letter showing the name and address of the bidding entity or individual and originally signed by the individual making the bid. If the bidder is a corporation, the bid must be signed by a person authorized to bind the company, and must show his/her title and the name of the state in which the company is incorporated.
- 2. A check for the full amount of the purchase price made payable to **Dept of Natural Resources**, **Division of Wildlife Resources**.
- 3. A copy of this notice for identification purposes

Checks from unsuccessful bidders will be returned to them. The bids will be opened and read at the beginning of the TLA lease auction which will occur at the TLA's office located at 675 East 500 South, Suite 500 at 10:00 AM on July 28, 2008. Public is welcome to attend.

Transfer of title will be by QUIT-CLAIM deed from the Division of Wildlife Resources. Arrangements must be made with Mr. Stan Bailey, DWR, to obtain the deed.

This sale is separate and apart from the Trust Lands Administration's oil and gas lease auction held following the opening for this one parcel.

MINERAL QUIT-CLAIM DEED

| THE STATE OF UTAH)(KNOW ALL BY THESE MEN PRESENTS: |
|---|
| COUNTY OF DUCHESNE)(|
| THAT, |
| All of lots 6 & 7, the same being the West Half of the Southwest Quarter of Section 6. Township 2 South, Range 1 West, Uintah Special Meridian. Also, the Southeast Quarter of the Southwest Quarter of said |
| Section 6, Township 2 South, Range 1 West, Uintah Special Meridian. |
| Being 58.715 mineral acres of land, more or less. Current mineral estate leasehold being managed by SITLA. Reference #: SLA 082 |
| TO HAVE AND TO HOLD the MINERAL INTERESTS above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantees, their heirs and assigns forever, and Grantor does hereby represent that they are the owners of the said right herein, and have full rights to QUIT-CLAIM, and convey said minerals to Grantee. |
| WITNESS the hand of the Grantor and Executed this day of, 2008. |
| By: |
| |
| THE STATE OF UTAH)(|
| COUNTY OF)(|
| The foregoing instrument was duly acknowledged before me this the day of2008, by |
| |
| NOTARY PUBLIC THE STATE OF UTAH Notary's Printed Name: |

MS GP

8LA No. 82 APPLICATION NO.

MINERAL LEASE NO. State Dept. of Fish & Game GRANT:

Oil and Gas Lease

THIS INDENTURE OF LEASE entered into in duplicate this Late day of May 1967, by and between the State Land Board. Room 105, State Capitol Building, Salt Lake City 14, Utah, acting in behalf of the State of Utah, hereinafter called the LESSOR, and

JACK E. BLANKENSHIP 801 Phillips Petroleum Building Salt Lake City, Utah 84101

hereinafter called the LESSEE, whether one or more, under and pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH:

Section 1. RYGHTS OF LESSEE—That Lessor, in consideration of the rents and royalties to be paid and the covenants and agreements hereinafter contained and to be performed by Lessee, does hereby grant and lease to LESSEE the right to prospect and explore for and the exclusive right and privilege to drill for, extract, remove and dispose of all oil and gas in or under the following described tract of land in the County of Duchesne State of Utah, to-wit:

Lots Six (6), Seven (7), Southeast Quarter (SEt) of Southwest Quarter (SWt) of Section Six (6), Township Two (2) South, Range One (1) West, Wintah Special Meridian.

117.44 containing acres, more or less, together with the rights to construct and maintain thereon all works, buildings, plants, water-ways, roads, communication lines, pipe lines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, subject, however to the conditions hereinafter set forth.

The term gas as used in this lease shall be interpreted to include any substance, either combustible or non-combustible, which is produced in a gaseous state from the earth and which maintains a gaseous or rarefied state at ordinary temperature and pressure conditions, and shall not include gas which results from transformation of solid hydrocarbons by artificial introduction of heat.

The term oil as used in this lease shall be interpreted to include any liquid hydrocarbon substance which occurs naturally in liquid form in the earth, including drip gasoline or other natural condensates recovered from gas, and shall not include oil which results from transformation of solid hydrocarbons by artificial introduction of heat.

Section 2. TERM OF LEASE—This lease, unless terminated at an earlier date as hereinafter provided, shall be for a primary term of five are from and after the first day of the month next succeeding the date of issuance hereof and for so long thereafter as oil and gas or either them to produced in paying quantities from the leased premises.

If drilling operations are being diligently prosecuted on the leased premises at the end of the primary term of any oil and gas lease, the primary term of said lease shall be automatically extended for a term of two additional years. An extension rider shall be issued by the state land board within thirty days after the expiration of the primary term and upon application of the lease and satisfactory showing of due diligence in prosecution of such drilling operation. All provisions of the lease will remain in full force and effect during the extended term.

Lessee shall be entitled to an extension of five yours on this lease if Lessee makes application within 90 days prior to the expiration of the leas; and providing the following requirements are met:

- (1) Rentals due have been paid and all abandoned wells have been properly plugged.
- (2) The land under lease does not lie within four sections in any direction from a section with a commercially productive well first discovered after the date of issuance of the lease unless the said lessee had at least a 25% working interest in such first discovered well at the time of discovery.
 - (3) The application for extension is accompanied by the advance payment of rental for the sixth year.
- (4) If a bond was required and filed with the lease, consent of surety to the extension must be filed or a new bond filed, unless the bond with the record covers all extensions of the lease.

The fact that drilling operations are being diligently prosecuted on the leased premises at the expiration of an extended term of this lease shall not extend its term, and in no event shall the term of this lease be extended beyond ten years from the first day of the month following its date of issuance, except as provided by section 65-1-89 U.C.A.

Section 3. ANNUAL RENTAL—Lessee agrees to pay to Lessor annually in advance as rental the sum of one dollar (\$1,00) per acre. Any such rental paid hereunder shall be credited against the royalties, if any, which may accrue on production during the year for which such rental is paid.

Section 4. ROYALTIES

- (a) Oil—LESSEE agrees to pay to LESSOR a royalty of twelve and one-half per cent (121/2%) or such higher per cent as is now provided by Chapter 1. Title 65, U.C.A. 1953 as amended, of the oil produced and saved from the leased premises; or, at the option of LESSOR, to pay to LESSOR the cash value of such royalty oil. When paid in money, the royalty shall be calculated upon the reasonable marker value of the oil at the well, including any subsidy or extra payment which the lessees, or any successor in interest thereto, may receive, without regard as to whether such subsidy or extra payment shall be made in the nature of money or other consideration, and in no event shall the royalties be based upon a market value less than that used by the United States in the computation of royalties, if any, paid by this LESSEE to the United States of America on oil of like grade and gravity produced in the same field. When LESSOR elects to take royalty oil in kind, such royalty oil shall be delivered on the premises where produced without cost to LESSOR at such time and in such tanks provided by LESSEE as may reasonably be required by LESSOR, but in no event shall LESSEE be required to hold royalty oil in storage beyond the last day of the calendar month next following the calendar month in which the oil was produced. LESSEE shall not be responsible or held liable for the loss of destruction of royalty oil in storage from causes over which LESSEE has no control.
- (b) Gas—LESSEB also agrees to pay to LESSOR twelve and one half per cent (111/7%) or such higher per cent as is now provided by Chapter 1, Ticle 65, U.C.A. 1953 as amended, of the reasonable market value at the well of all gas produced and saved or sold from the leased premises. Where gas is sold under a contract, and such contract has been approved in whole or conditionally by the LESSOR, the reasonable market value of such gas for the purpose of determining the revolting spayable hierender, shall the the price at which the production is sold, provided that in no event shall the price for gas be less than that received by the United Status of America for its royalties from gas of like grade and quality from the same field. Provided expressly that the reasonable market value of processed or manufactured or extracted products, for the purpose of computing royalties hereunder, shall be the value after deduction for such costs may not exceed two-thirds of the mount of the grass of any such products without approval by the LESSOR and, provided further, that the market value of extracted, processed or manufactured products when the value used by the United States in its computation of royalties resulting from production of like grade and quality in the same field.
- (c) Other Substances—Should the LESSER encounter or discover on the leased premises any mineral substances other than oil and gas or either of them, as herein defined, the LESSEE shall immediately report such fact to the LESSOR.
- d) Time of Payment—All royalties on production during any calendar month shall be due and payable by LESSEE to LESSOR not than the last day of the calendar month following that in which produced.

(e) Any agreement to create or any assignment creating overriding royalties or payments out of production of any lease exceeding 5 per cent of the value of production removed or sold from the leased lands shall be subject to the authority of the state land board to require the proper parties thereto to suspend or modify such royalties or payments out of production in such manher as may be reasonable when and during such periods of time as they may constitute an undue economic burden upon the reasonable operations of such lease.

LESSOR may at its option, take its royalty gas in kind at well store, provided expressly that LESSEE shall be under no obligation to furnish any storage facilities for royalty gas.

Section 5. RIGHTS RESERVED TO LESSOR-The LESSOR expressly reserves:

- (a) Easements and Rights of Way.—The right to permit for joint or several use in a manner which will not unreasonably interfers with LESSETS operations hereunder, such easements or rights of way upon, through or in the land hereby leased as may be necessary or appropriate to the working of other lands belonging to the LESSOR containing mineral deposits, or to the working of the land hereby leased for other than the hereby leased substances, and for other public purposes.
- (b) Surface Disposition—Leaving for Other Deposits—The right to use, lease, sell or otherwise dispose of the surface of said hereby leased lands, or any part thereof, under existing state laws, subject to the rights herein granted and insofar as in the judgment of the LESSOR, said surface is not necessary for the use of the LESSEE in the exercise of the rights granted LESSEE hereunder; and also the right to lease minoral deposits, other than the hereby leased substances, which may be contained in said hereby leased lands.
- (c) Unitivation—The right, with the consent of the LESSEE, to commit the hereby leased lands to a unit or co-operative plan of development and to establish, after or change the drilling, producing and royalty requirements and term of this lease to conform thereunto.
- (d) Production Control—The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the LESSEE'S fair shere of allowable production under any system of state or national curtailment and procession authorized by law.

Section 6. DRILLING AND DEVELOPMENT PROVISIONS.

- (a) Drilling Requirement—At any time after one year from the date of this lease, LESSOR may at its discretion, by written notice to LESSEE, require LESSEE to commence operations for the drilling of a well upon the leased premises within not less than one hundred twenty days from the mailing of such notice to LESSEE, Upon LESSEE's failure to so commence drilling operations within the time so required, this lease shall terminate and be without further force or effect. Failure of LESSEE to comply with such requirement of LESSOR as to commencement of drilling operations shall impose no liability upon LESSEE other than in respect to the resultant termination of LESSEE's rights under this lease.
- (b) Offset Wells—Subject to the right of surrender as provided in this lease, LESSEE shall protect the oil and gas under the leased premises from drainage from adjacent lands or leases, and the LESSOR expressly reserves the right to require the commencement, completion and operation of a well or wells, that it considers necessary for the protection of the leased premises from adjacent lands or leases.
 - (c) Diligence-Proper Operations-LESSEE agrees:
- (1) After discovery and subject to the rights of surrender herein provided, to exercise reasonable diligence in producing oil and gas and in the drilling and operating of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the LESSOR; and
- (2) To carry on all operations hereunder in a good workmanlike manner in accordance with approved methods and practices, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strate, to the destruction or injury of such deposits, to the preservation and conservation of the property for future productive operations, and to the health and safety of workmen and employees; and
- (3) To take every reasonable precaution to prevent water from migrating from one attarum to any other and to protect any water bearing attatum from contamination; and
 - (4) To securely and properly plug in an approved manner any well before abandoning it; and
- (5) To not drill any well except in conformity with law and with the rules and regulations of the Usah Oil & Oas Conservation Commission, and
- (6) To conduct all operations subject to the inspection of the LESSOR and to carry our at the LESSEE'S expense all reasonable orders and requirements of the LESSOR relative to the prevention of waste and preservation of the property, and the health and safety of workmen; and on failure of the LESSEE so to do the LESSOR shall have the right, together with other recourse herein provided, to enter on the property to repair damages or prevent waste at the LESSEE'S expense; and
- (7) To conduct all operations under this lease in accordance with the LESSOR'S rules and regulations governing exploration for and production of oil and gas which are now in force, and with such reasonable rules and regulations as hereafter may be adopted by the LESSOR; and
- (8) To reimburse the owner or lessee of the surface of the leased premises, for actual damages thereto and injury to improvements thereon resulting from LESSEE'S operations hereunder, provided that LESSEE shall not be held responsible for acts of providence or occurrences beyond LESSEE'S control.
- Section 7. DRILLING BOND—LESSEE agrees at the time of commencement of drilling operations to furnish a bond with an approved corporate surety company authorized to transact business in the State of Utah, or such other surety as may be acceptable to the LESSOR, in the penal auth of not more than Five Thousand (\$5,000.00) Dollars conditioned upon the payment of all moneys, rentals, and royalties accruing to the LESSOR under the terms hereof, and upon the full compliance with all other terms and conditions of this lease and the Rules and Regulations relating hereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lesse covers lands, the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the LESSOR may decide after discovery of oil or gas.

The LESSOR may waive the provisions of this section, as to this lease, upon the furnishing of a blanket bond by LESSEE extending to and including LESSER'S operations hereunder.

Section 8. LOGS - REPORTS - MAPS --- LESSEE agrees to keep a log, in a form approved by the Oil and Gas Conservation Commission, of each well drilled by LESSEE on the lessed lands, and agrees to file the same, together with such reports, maps and supplements as may be required, with said Commission, LESSEE also agrees to furnish LESSOR copies of such logs, reports, and any other information which LESSOR may request from time to time.

Section 9. CABLE TOOL WELLS—NOTICES OF WATER ENCOUNTERED—LEAVING OF CASING—In the drilling of wells by cable tools under authority of this lease, all water bearing strain shall be noted in the log. LESSEE shall promptly give notice to LESSOR when water has been encountered and such notice shall include an estimate of the possible smount of flow of said water. LESSOR may, as herein below provided, in any case where a cable tool well drilled hereunder would otherwise be abandoned, elect to require that all or any part of the casing shall be left in any well when LESSOR deems it to the interest of the State of Utsh to maintain said well for water. If LESSOR so elects, it shall so notify LESSEE of such election within fifteen days after receipt from LESSEE of notice of intention to abandon any cable tool well where water has been encountered. In any case in which the LESSEE incorporates in the notice of discovery of water a declaration that LESSEE desires to plug and abandon the well, such notice of election shall be given by LESSOR or LESSEE with the teaming is to be left in the well. Failure of LESSOR to give such notice of election within the times provided herein shall be deemed an election by LESSOR not to require any casing to be left in the well.

Section 10. DEFAULTS OF LESSEE—Upon failure or default of the LESSEE or ASSIGNEE to comply with any of the provisions or covenants hereof the LESSOR is hereby authorized to cancel this lesse and such cancellation shall extend to and include all rights here under as to the whole of the tract so claimed, or possessed, by the LESSEE or ASSIGNEE so defaulting, but shall not extend to nor affect the rights of any other LESSEE or ASSIGNEE claiming any portion of the lands upon which no default has been made; provided, that in the event of a default LESSOR shall, before any such cancellation shall be made, send by registered mail to the LESSEE or ASSIGNEE, as shown by the records of the LESSOR, a notice of intention to cancel, specifying the default for which cancellation is made, and if within thirty (30) days from the data of mailing said notice, the said LESSEE or ASSIGNEE, shall have paid all rents or royalties in default, and shall have to the satisfaction of the LESSOR commenced to remember any other default specified in said notice, there shall not be a cancellation theraof.

Section 11. LESSOR'S RIGHTS OF ACCESS TO LEASED PREMISES AND LESSEE'S RECORDS—It is understood and agreed by and between the parties hereto that LESSOR, its officers and agents, shall have the right at all reasonable times to go in and upon the leased lands and premises during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notice on the said lands that it may deem fit and proper; and also LESSEE shall permit any authorised representative of the LESSOR to examine all books and records pertaining to drilling operations, and pertaining to royalties payable to LESSOR under this lesse, and to make the contracts from the same, if desired.



Section 12. TRANSFERS OF INTEREST BY LESSEE—LESSOR will not permit any sesignment of this lesse, or of any interest therein, or any sub-lesse or operating agreement as to the lessed lands, or any portion thereof, unless and until such assignment, transfer, sub-lesse or operating agreement is approved by the LESSOR. Any such instrument shall be filed with LESSOR within ninety days from the date of final execution thereof, and when and provided it is approved by the LESSOR, shall take effect as of the date of its execution. Subject to the necessity of approval as herein set out, all of the terms, coverants, conditions and obligations of this lesse shall extend to and shall be binding upon the successors in interest of the LESSER. The LESSER further agrees not to enter into any agreements limiting, provating, or otherwise affecting the natural production from said lands in any way or in any event without the consent in writing of the LESSOR first had and obtained.

Section 13. SURRENDER BY LESSEE—LESSEE may surrender this lease as to all or any part of the leased lands but not less than a quarter of a quarter section or a surveyed lot, by filing with the LESSOR a written relinquishment; which relinquishment shall be effective as of the date of filing and thursupon LESSEE shall be relieved from any liability thereafter to accrue us to the lands as surrendered, provided that such surrender shall not relieve LESSEE from any rental or royalty obligations accruing prior to the data of such surrender, and provided further that such surrender shall not relieve LESSEE'S obligation to properly plug and absundon any well drilled prior to such surrender, unless LESSOR at the time or prior to such relinquishment shall have requested LESSEE nor to plug and abandon any well not therefore plugged or shandoned.

If any portion of the lessed lands are surrendered, the annual rental payable hereunder shall hereafter be reduced proportionstely.

Section 14. WATER—If the Lessee shall initiate or establish any water right on the leased premises, such a right shall become an appurtunance of the leased premises, and, upon the termination of the lease, the Lessee shall convey the right to the Lessor.

Section 15. FAILURE OF LESSOR'S TITLE—It is understood and agreed that this lesse is issued only under such title as the State of Utah may now have or hereafter acquire, and that the LESSOR shall not be liable for any damages sustained by the LESSEE, not shall the LESSEE be entitled to or claim any refund of rentals or royalties thereofore paid to the LESSOR in the event the LESSOR does not have the title to the minerals in the lessed lands. If LESSOR owns a less interest in the lessed lands than the entire and undivided fee simple estate in the lessed minerals, then the royalties herein provided shall be paid the LESSOR only in the proportion which its intrest to said whole and undivided fee simple mineral estate in said lands.

Section 16. NOTICES—All notices herein provided to be given or which may be given by either party to the other, except as otherwise provided by law, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to the last known address of the parties.

Section 17. CONSENT TO SUIT-Lessee consents to suit in the courts of the State of Utah in any dispute arising under the terms of this lesse or as a result of operations carried on under this lesse. Service of process in any such action is hereby agreed to be sufficient if sent by registered mail to the Lessee at the last known address appearing on Lesson's records.

| The second secon | |
|--|---|
| 1. That the Department of Fish & Game will be given ten (10) days in advance of any exploratory or do | notice by the lessee at lesse evelopment work: |
| 1 | lamage sustained by the surface |
| STATE OF UTAH | |
| COUNTY OF Salt Lake | WLEDGEMENT |
| , | before me Jack E. Blankenship |
| the signer of the shore immension all the signer of the shore immension and the signer of the shore immension and the signer of | executed the same. |
| Given under my hand and seal this 19th day of May | 19 67 |
| My commission Expires: 2-27-70 | Nouser Public, residing as Salt Lake City, Stah |
| STATE OF UTAH | |
| COUNTY OF LESSEE'S CORPORATE ACKN | OWLEDGEMENT |
| | 1.00 |
| On the day of 19, personally appeared who being by me duly sworn did say that he is an officer of | |
| was signed in behalf of said corporation by resolution of its Board of Directors, and | and that said instrument |
| that said corporation executed the same. | and acknowledged to me |
| Given under my hand and scal this day of | 19 |
| My commission Expires: | |
| | Notary Public, residing at: |
| | • |

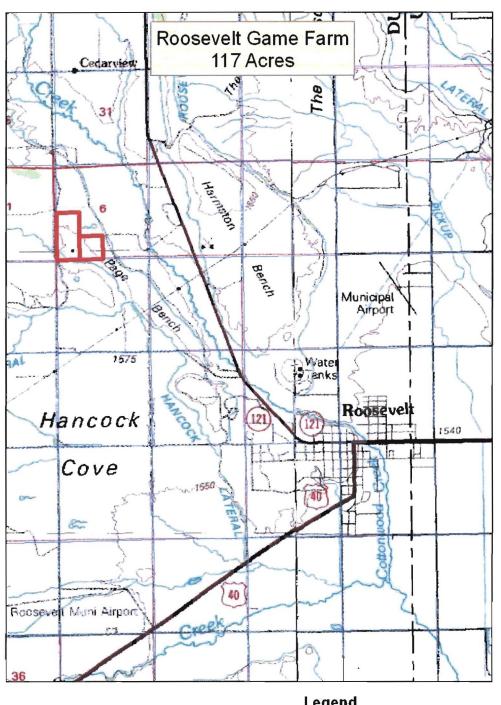
STATE OF UTAH

COUNTY OF SALT LAKE

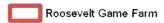
On the 14 day of 1911, personally appeared before me Max & Gardrer, who being by me duly said Board by resolution of the Board, and said Moure Carlow Radio of the State of Utah and that said instrument was signed in behalf of the State of Utah.

Oiven under my hand and seal this 24 day of Though

My commission Expires: 4-10-68 The Tille Selle



Legend



July 2, 2008

COMPETITIVE LEASE OFFERING FOR OIL, GAS AND ASSOCIATED HYDROCARBONS AND OTHER MINERAL COMMODITITES (Bids to be opened July 28, 2008)

STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
675 EAST 500 SOUTH, SUITE 500
SALT LAKE CITY, UT 84102-2818
(801) 538-5100

OIL, GAS AND ASSOCIATED HYDROCARBONS LEASING UNITS

The oil, gas and hydrocarbon leases on the lands listed below have expired and the lands are available for leasing. These lands are hereby offered for oil, gas and associated hydrocarbons lease by competitive filing by the State of Utah, School and Institutional Trust Lands Administration, at a 12-1/2% royalty rate, 5-year term, unless otherwise specified for the individual leasing unit, in accordance with the provisions of State law and the Rules Governing the Management and Use of Trust Lands in Utah. The offering of these lands for leasing of oil, gas and associated hydrocarbons does not guarantee that there are deposits of oil, gas and associated hydrocarbons on these lands. The filing period ends at 5:00 P.M., Friday, July 25, 2008. Each application should include only one leasing unit per application and must be on Form B (rev 4/07), Oil, Gas and Associated Hydrocarbons Competitive Lease Offering Application, or copies thereof. Form B (rev 4/07) must be accompanied by two checks, one for the bonus bid for the leasing unit and one check for \$30.00 to cover the application fee. All application fees are forfeited to the Trust Lands Administration. The minimum acceptable bid is \$2.00 per net acre or fractional part thereof unless otherwise noted. Each bid is for the first year of the lease. Each application must be submitted in a separate, "Sealed bid for competitive filing on Leasing Unit No. sealed envelope marked: being offered for oil, gas and associated hydrocarbons leasing. Bids to be opened at 10:00 A.M., Monday, July 28, 2008, at the School and Institutional Trust Lands Administration office at 675 East 500 South, Suite 500, Salt Lake City, UT 84102-2818." No bid will be accepted unless it includes: (1) all the lands offered in a particular leasing unit, (2) the entire bonus bid, and (3) is submitted in the manner required on Form B (rev 4/07). The bid checks of all unsuccessful applicants will be returned to the applicant. Leasing units receiving no bids and marked with an * will not be available for over the counter leasing. All other units will be available for over-the counter lease application from 8:00 am July 29, 2008, thru 5:00 pm October 24, 2008, in accordance with Rules Governing the Management and Use of Trust Lands in Utah.

July 28, 2008 Page Two

Oil, Gas & Associated Hydrocarbons

| LEASING UNIT NO. | <u>DESCRIPTION</u> | COUNTY/ACRES |
|------------------|--|--------------------------------|
| 1 | T8N, R3E, SLB&M Sec. 34: SW ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ | Weber 160.00 Acres |
| 2 | T2S, R5E, SLB&M Sec. 4: SE ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ Sec. 6: Lot 6 [NW ¹ / ₄ SW ¹ / ₄] [40.53] Sec. 9: NE ¹ / ₄ Sec. 10: S ¹ / ₂ | Summit/Wasatch 720.53 Acres |
| 3 | T2S, R5E, SLB&M Sec. 11: All | Summit 640.00 Acres |
| 4 | T2S, R5E, SLB&M Sec. 13: N½NE¼ Sec. 14: All | Summit 720.00 Acres |
| 5 | <u>T2S, R5E, SLB&M</u> Sec. 16: All | Summit/Wasatch 640.00 Acres |
| 6 | T3S, R19E, SLB&M Sec. 1: SE ¹ / ₄ SE ¹ / ₄ Sec. 12: NE ¹ / ₄ NE ¹ / ₄ , S ¹ / ₂ NE ¹ / ₄ , N ¹ / ₂ NW ¹ / ₄ | Uintah 240.00 Acres |
| 7 | T3S, R19E, SLB&M Sec. 2: Lots 1(40.31), 2(40.45), 3(40.59), 4(40.73), SE¹4NE¹4, S¹⁄2NW¹4, SW¹4, E¹⁄2SE¹4, SW¹4SE¹4 | Uintah 562.08 Acres |
| 8 | T3S, R19E, SLB&M Sec. 3: SE ¹ / ₄ SW ¹ / ₄ Sec. 10: E ¹ / ₂ NW ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ , S ¹ / ₂ SE ¹ / ₄ | Uintah 240.00 Acres |
| 9 | T3S, R19E, SLB&M Sec. 5: NW ¹ / ₄ SE ¹ / ₄ Sec. 6: SE ¹ / ₄ SE ¹ / ₄ Sec. 7: E ¹ / ₂ NW ¹ / ₄ Sec. 8: SW ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄ Sec. 9: W ¹ / ₂ NW ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄ | Uintah 440.00 Acres |

| COMPETITIVE LEASE OFFERING | |
|----------------------------|------------|
| July 28, 2008 | Page Three |

Oil, Gas & Associated Hydrocarbons

| LEASING UNIT NO. | <u>DESCRIPTION</u> | COUNTY/ACRES |
|------------------|--|--|
| 10 | <u>T3S, R19E, SLB&M</u> Sec. 16: All | Uintah 640.00 Acres |
| 11 | T3S, R19E, SLB&M Sec. 22: SE ¹ / ₄ NE ¹ / ₄ Sec. 25: SE ¹ / ₄ NE ¹ / ₄ , N ¹ / ₂ SE ¹ / ₄ | Uintah 160.00 Acres |
| 12 | T3S, R20E, SLB&M Sec. 7: Lots 3(37.22), 4(37.48), SE ¹ / ₄ SW ¹ / ₄ Sec. 18: Lots 1(37.65), NE ¹ / ₄ NW ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄ Sec. 19: Lots 2(36.06), 5(42.42), 7(42.15), SE SE ¹ / ₄ NW ¹ / ₄ , S ¹ / ₂ SE ¹ / ₄ | Uintah 512.98 Acres ¹ / ₄ NE ¹ / ₄ , |
| 13 | T3S, R20E, SLB&M Sec. 30: Lot 1(41.94), NW ¹ / ₄ NE ¹ / ₄ Sec. 31: Lot 1(40.91), NW ¹ / ₄ NE ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄ | Uintah 202.85 Acres |

LEASING UNIT NO. 14 IS OFFERED AT 16 2/3% ROYALTY RATE

| 14* | <u>T5S, R23E, SLB&M</u> | Uintah |
|-----|--|--------------|
| | Sec. 18: Lot 1(39.92), W ¹ / ₂ NE ¹ / ₄ NW ¹ / ₄ NE ¹ / ₄ , | 242.42 Acres |
| | NW ¹ / ₄ NW ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄ NW ¹ / ₄ NE ¹ / ₂ | / 4, |
| | NE1/4NW1/4, W1/2NE1/4SE1/4NW1/4, W1/2SI | E1/4NW1/4, |
| | E ¹ / ₂ SW ¹ / ₄ , SW ¹ / ₄ SE ¹ / ₄ | |

LEASING UNIT NOS. $\underline{15}$, $\underline{16}$, & $\underline{17}$ ARE IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000.

| 15 | <u>T7S, R25E, SLB&M</u> | Uintah |
|----|---|--------------|
| | Sec. 2: Lots 1(20.83), 2(20.59), 3(20.40), | 882.02 Acres |
| | 4(20.20), 5(40.00), 6(40.00), 7(40.00), | |
| | 8(40.00), 9(40.00), 10(40.00), 11(40.00), | |
| | 12(40.00), S½N½, S½ (All) | |
| | | |
| 16 | <u>T7S, R25E, SLB&M</u> | Uintah |
| | Sec. 16: All | 640.00 Acres |
| | | |
| 17 | <u>T7S, R25E, SLB&M</u> | Uintah |
| | Sec. 36: Lots 1(24.34), 2(24.40), 3(24.47), | 257.76 Acres |
| | 4(24.55), W½W½ (All) | |

21*

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Oil, Gas & Associated Hydrocarbons

Duchesne

| LEASING UNIT NO. | DESCRIPTION | COUNTY/ACRES |
|------------------|-------------|--------------|
| | | |

LEASING UNIT NOS. <u>18</u> & <u>19</u> ARE OFFERED AT 16 2/3% ROYALTY RATE

| 18* | T8S, R20E, SLB&M Sec. 32: Lots 1(2.80), 2(6.40), 3(0.52) (All) | Uintah 9.72 Acres |
|-----|---|------------------------|
| 19* | T8S, R25E, SLB&M Sec. 2: Lots 1(39.31), 2(39.44), 3(39.58), 4(39.71), S½N½, S½ (All) | Uintah 638.04 Acres |
| 20 | T10S, R6E, SLB&M Sec. 19: E ¹ / ₂ SE ¹ / ₄ Sec. 20: SW ¹ / ₄ Sec. 25: NE ¹ / ₄ NW ¹ / ₄ | Utah 280.00 Acres |

LEASING UNIT NO. <u>21</u> IS OFFERED AT 16 2/3% ROYALTY RATE

T10S, R14E, SLB&M

| | Sec. 36: All | 640.00 Acres |
|----|---|--------------------------|
| 22 | T11S, R9E, SLB&M Sec. 32: All | Utah 640.00 Acres |
| 23 | T11S, R9E, SLB&M Sec. 35: Lots 3(38.27), 4(37.80) Sec. 36: Lots 1(12.56), 2(11.59), 3(8.92), 5(39.87), 6(39.61), 7(39.35), N½NE¾ | Utah 307.97 Acres |
| 24 | T11S, R10E, SLB&M Sec. 31: Lots 3(41.81), 4(33.27), 5(32.04), E½NW¼, NE¼SW¼ | Duchesne 227.12 Acres |
| 25 | T11S, R10E, SLB&M Sec. 32: Lots 1(33.92), 2(33.51), 3(33.11), 4(32.70), N½, N½S½ (All) | Duchesne 613.24 Acres |
| 26 | T11S, R10E, SLB&M Sec. 34: Lot 2(35.84), NE ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ SE ¹ / ₄ | Duchesne 315.84 Acres |

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Oil, Gas & Associated Hydrocarbons

| LEASING UNIT NO. | <u>DESCRIPTION</u> | COUNTY/ACRES |
|------------------|---|------------------------|
| 27 | T12S, R8E, SLB&M Sec. 1: Lots 1(28.28), 4(29.62), SW ¹ / ₄ SW ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄ Sec. 11: S ¹ / ₂ SW ¹ / ₄ , NE ¹ / ₄ SE ¹ / ₄ Sec. 12: NE ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ , NE ¹ / ₄ SE ¹ / ₄ , S ¹ / ₂ S ¹ / ₂ | Carbon 697.90 Acres |
| 28 | T12S, R8E, SLB&M Sec. 2: Lots 1(29.94), 2(30.16), 3(30.36), 4(30.58), S½ (All) | Carbon 441.04 Acres |
| 29 | T12S, R8E, SLB&M Sec. 3: Lots 3(30.87), 4(30.94), NW ¹ / ₄ SW ¹ / ₄ Sec. 4: Lot 2(31.09), NE ¹ / ₄ SE ¹ / ₄ , SW ¹ / ₄ SE ¹ / ₄ Sec. 9: SE ¹ / ₄ SE ¹ / ₄ | Carbon 252.90 Acres |
| 30 | T12S, R8E, SLB&M Sec. 13: E½NE¼, SW¼NE¼, E½NW¼, | Carbon 520.00 Acres |
| 31 | T12S, R8E, SLB&M Sec. 22: NW ¹ / ₄ NW ¹ / ₄ , S ¹ / ₂ SW ¹ / ₄ , NE ¹ / ₄ SE ¹ / ₄ Sec. 23: NE ¹ / ₄ NE ¹ / ₄ , SW ¹ / ₄ NW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ Sec. 27: NE ¹ / ₄ NE ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ Sec. 34: NW ¹ / ₄ NW ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ | Carbon 480.00 Acres |
| 32 | T12S, R8E, SLB&M Sec. 24: E½NE¼, NW¼SW¼, S½SE¼ Sec. 25: NE¼NE¼, E½NW¼, SW¼NW¼, N½SW¼, NW¼SE¼ Sec. 26: NE¼SE¼ | Carbon 520.00 Acres |
| 33 | T12S, R9E, SLB&M Sec. 2: Lots 1(12.24), 2(12.56), 3(12.88), 4(13.20), S½ (All) | Carbon 370.88 Acres |
| 34 | T12S, R9E, SLB&M Sec. 3: SW ¹ /4SW ¹ /4, SW ¹ /4SE ¹ /4, Sec. 10: SW ¹ /4NE ¹ /4, N ¹ /2NW ¹ /4, SW ¹ /4NW ¹ /4, W ¹ /2SE ¹ /4, SE ¹ /4SE ¹ /4 | Carbon 360.00 Acres |

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Oil, Gas & Associated Hydrocarbons

| LEASING UNIT NO. | <u>DESCRIPTION</u> | COUNTY/ACRES |
|------------------|--|------------------------|
| | T12S, R9E, SLB&M Sec. 6: Lots 2(17.52), 4(19.32), E½SW¼, E½SE¼ Sec. 7: Lot 1(43.02), NE¼NE¼, W½E½, E½SW¼, E½SE¼ Sec. 8: S½NW¼ | Carbon 679.86 Acres |
| | T12S, R9E, SLB&M Sec. 11: NW ¹ /4SW ¹ /4, N ¹ /2SE ¹ /4, SE ¹ /4SE ¹ /4 Sec. 12: Lots 3(22.98), 4(22.64), SW ¹ /4, SW ¹ /4 Sec. 13: Lot 1(22.29), SE ¹ /4NW ¹ /4, NW ¹ /4SW ¹ /4 Sec. 14: SW ¹ /4NE ¹ /4, N ¹ /2NW ¹ /4 | |
| | T12S, R9E, SLB&M Sec. 16: All | Carbon 640.00 Acres |
| | T12S, R9E, SLB&M Sec. 17: NW ¹ /4NW ¹ /4, SE ¹ /4NW ¹ /4, NW ¹ /4SW ¹ /4, SE ¹ /4SW ¹ /4, NW ¹ /4SE ¹ /4, SE ¹ /4SE ¹ /4 Sec. 18: Lots 1(43.21), 4(43.25), S ¹ /2NE ¹ /4, SE ¹ /4NW ¹ /4 Sec. 21: NE ¹ /4SW ¹ /4 | Carbon 486.46 Acres |
| | T12S, R9E, SLB&M Sec. 26: E½SW¼, SW¼SE¼ Sec. 36: Lots 1(34.14), 2(35.70), W½NE¼, SW¼NW¼, NE¼SW¼, SE¼ | Carbon 509.84 Acres |
| | T12S, R11E, SLB&M Sec. 4: E½SW¼, SW¼SW¼ Sec. 5: S½SE¼ Sec. 8: NE¼ | Carbon 360.00 Acres |
| | T12S, R11E, SLB&M Sec. 9: N½, NE¼SE¼ Sec. 10: SW¼NW¼, NW¼SW¼ | Carbon 440.00 Acres |
| | T12S, R11E, SLB&M Sec. 36: All | Carbon 640.00 Acres |

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Oil, Gas & Associated Hydrocarbons

<u>LEASING UNIT NO.</u> <u>DESCRIPTION</u> <u>COUNTY/ACRES</u>

LEASING UNIT NOS. 43 & 44 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

| 43 | <u>T13S, R16E, SLB&M</u> | Carbon |
|----|------------------------------|--------------|
| | Sec. 32: All | 640.00 Acres |
| | | |
| 44 | <u>T13S, R16E, SLB&M</u> | Carbon |
| | Sec. 36: All | 640.00 Acres |

LEASING UNIT NOS. 45, 46, 47, 48, & 49 ARE IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000.

LEASING UNIT NOS. 45, 46, 47, 48, & 49 ARE OFFERED AT 16 2/3% ROYALTY RATE

| 45* | T15S, R21E, SLB&M Sec. 36: All | Uintah 640.00 Acres |
|-----|--|------------------------|
| 46* | T15S, R22E, SLB&M Sec. 32: All | Uintah 640.00 Acres |
| 47* | T15.5S, R22E, SLB&M Sec. 34: Lots 1(34.46), 2(34.51), 3(34.55), 4(34.60), S½ (All) | Grand 458.12 Acres |
| 48* | T15.5S, R22E, SLB&M Sec. 35: Lots 1(34.32), 2(34.35), 3(34.39), 4(34.42), S½ (All) | Grand 457.48 Acres |
| 49* | T15.5S, R22E, SLB&M Sec. 36: Lots 1(34.18), 2(34.21), 3(34.25), 4(34.28), S½ (All) | Grand 456.92 Acres |

R-850-22-1000.

52*

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Oil, Gas & Associated Hydrocarbons

40.00 Acres

Grand

<u>LEASING UNIT NO.</u> <u>DESCRIPTION</u> <u>COUNTY/ACRES</u>

LEASING UNIT NO. <u>50</u> IS IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000.

LEASING UNIT NOS. 50 & 51 ARE OFFERED AT 16 2/3% ROYALTY RATE

| 50* | T15.5S, R23E, SLB&M Sec. 31: Lots 1(33.55), 2(33.73), 3(33.92), 4(28.92), 5(33.98), 6(34.02), E½SW¼, SE¼ (All) | Grand 438.12 Acres |
|-----|---|-----------------------|
| 51* | T16S, R8E, SLB&M | Emery |

LEASING UNIT NOS. <u>52</u> & <u>53</u> ARE IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT

LEASING UNIT NOS. <u>52</u> & <u>53</u> ARE OFFERED AT 16 2/3% ROYALTY RATE

Sec. 29: SE¹/₄SE¹/₄

T16S, R22E, SLB&M

| | Sec. 12: All | 640.00 Acres |
|-----|--|-------------------------|
| 53* | T16S, R22E, SLB&M Sec. 36: All | Grand 640.00 Acres |
| 54 | T17S, R2E, SLB&M Sec. 3: Lots 1(40.44), 2(40.44), S½NE¾, E½SE¾ Sec. 4: S½NE¾, NE¾SE¾ | Sanpete 360.88 Acres |
| 55 | T17S, R2E, SLB&M Sec. 10: Lot 4(32.60), SE ¹ / ₄ SW ¹ / ₄ Sec. 15: Lots 1(33.20), 2(33.80), 3(34.40), 4(35.00), E ¹ / ₂ NW ¹ / ₄ Sec. 21: NW ¹ / ₄ NE ¹ / ₄ , SW ¹ / ₄ SE ¹ / ₄ Sec. 22: Lot 1(35.59), NE ¹ / ₄ NW ¹ / ₄ | Sanpete 444.59 Acres |
| 56 | T17S, R2E, SLB&M Sec. 16: All | Sanpete 640.00 Acres |

| COMPETITIVE LEA | ASE OFFERING |
|------------------------|---------------------|
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58

| <u>LEASING UNIT NO.</u> | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-------------------------|--------------------|--------------|
|-------------------------|--------------------|--------------|

57 <u>T17S, R2E, SLB&M</u> Sanpete

Sec. 28: W¹/₂E¹/₂, SE¹/₄SW¹/₄ 360.00 Acres

Oil, Gas & Associated Hydrocarbons

Grand

Sec. 33: SW¹/₄NE¹/₄, NW¹/₄NW¹/₄, W¹/₂SE¹/₄

LEASING UNIT NO. <u>58</u> IS IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000.

| 30 | Sec. 2: Lots 1(49.68), 2(49.62), 3(49.58), 4(49.52), S½N½, S½ (All) | 678.40 Acres |
|----|---|--------------------------|
| 59 | T20S, R23E, SLB&M Sec. 32: S½ | Grand 320.00 Acres |
| 60 | T20S, R23E, SLB&M Sec. 36: All | Grand 640.00 Acres |
| 61 | T21S, R23E, SLB&M Sec. 2: Lots 1(39.41), 2(39.44), 3(39.46), 4(39.49), S½N½ | Grand 317.80 Acres |
| 62 | T28S, R23E, SLB&M Sec. 36: Lots 1(39.71), 2(39.74), 3(39.76), 4(41.35), 5(41.22), 6(41.08), 7(40.72), S½NW¼, N½SW¼, NW¼SE¼ | San Juan 483.58 Acres |

LEASING UNIT NO. 63 IS OFFERED AT 16 2/3% ROYALTY RATE

T17S, R22E, SLB&M

| 63* | T29S, R22E, SLB&M Sec. 30: Lot 1 [NW ¹ / ₄ NW ¹ / ₄] | San Juan 38.58 Acres |
|-----|--|--------------------------|
| 64 | T29S, R23E, SLB&M Sec. 32: S½ | San Juan 320.00 Acres |
| 65 | T32S, R24E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 66 | T33S, R23E, SLB&M Sec. 8: N½SW¼ Sec. 16: N½. SW¼ | San Juan 560.00 Acres |

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Oil, Gas & Associated Hydrocarbons

| LEASING UNIT NO. | <u>DESC</u> | <u>CRIPTION</u> | COUNTY/ACRES |
|------------------|---|---|------------------------------------|
| 67 | T33S, R23E, Sec. 14: E½ Sec. 15: E½ | | San Juan 640.00 Acres |
| 68 | Sec. 25: S½ [Pa Par Sec. 26: SE½ | SE ¹ / ₄ / ₄ NE ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄ NW ¹ / ₄ , W ¹ / ₂ SW ¹ / ₄ , M&B rt of SW ¹ / ₄ NE ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ , rt of NW ¹ / ₄ SE ¹ / ₄] [92.00] / ₄ NE ¹ / ₄ , E ¹ / ₂ NW ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄ ESS M&B] [199.00] | San Juan 691.00 Acres |
| 69 | T33S, R23E, Sec. 32: All | | San Juan 640.00 Acres |
| 70 | NE | s 2(37.27), 4(37.34), SE½NW¼, ¼SW¼, NW¼SE¼, M&B rt of SE¼SW¼, Part of S½SE¼] [| San Juan 435.47 Acres 80.86] |
| 71 | Sec. 33: SE ¹ / ₂ Sec. 34: E ¹ / ₂ | NE ¹ /4 NE ¹ /4, SW ¹ /4NW ¹ /4 | San Juan 634.42 Acres |
| 72 | | SLB&M s 1(39.92), 2(40.00), 3(40.08), 0.16), S½N½, S½ (All) | San Juan 640.16 Acres |
| 73 | S ¹ / ₂ | | San Juan 596.38 Acres |

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 Page Eleven
 Oil, Gas & Associated Hydrocarbons

 LEASING UNIT NO.
 DESCRIPTION
 COUNTY/ACRES

| 1110 01111 | <u>DESCRIPTION</u> | egetti i/Hereb |
|------------|--|--------------------------|
| 74 | T34S, R24E, SLB&M Sec. 7: Lot 4(38.31), SE ¹ / ₄ SW ¹ / ₄ (Restricted Above 400 feet) | San Juan 656.67 Acres |
| | Sec. 17: W ¹ / ₂ SW ¹ / ₄ Sec. 18: Lots 1(38.36), 2(38.39), M&B [Part of NE ¹ / ₄ NW ¹ / ₄] [141.61] (Restriction Sec. 18: E ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₄ Sec. 19: NW ¹ / ₄ SE ¹ / ₄ | * |
| 75 | <u>T34S, R24E, SLB&M</u> Sec. 16: All | San Juan 640.00 Acres |
| 76 | <u>T34S, R24E, SLB&M</u> Sec. 36: All | San Juan 640.00 Acres |
| 77 | T34S, R25E, SLB&M Sec. 13: NW ¹ / ₄ Sec. 24: SW ¹ / ₄ NE ¹ / ₄ , E ¹ / ₂ SW ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄ Sec. 34: W ¹ / ₂ | San Juan 680.00 Acres |
| 78 | T36S, R25E, SLB&M: Sec. 2: Lots 1(20.19), 2(20.12), 3(20.06), 4(19.99), S½S½ (All) | San Juan 240.36 Acres |
| 79 | T37S, R21E, SLB&M Sec. 36: Lots 1(40.08), 2(40.06), 3(40.03), 4(40.01), W½E½, W½ (All) | San Juan 640.18 Acres |
| 80 | T37S, R22E, SLB&M | San Juan |

LEASING UNIT NO. 81 IS OFFERED AT 16 2/3% ROYALTY RATE

Sec. 33: NW¹/₄

| 81* | <u>T37S, R25E, SLB&M</u> Sec. 32: All | San Juan 640.00 Acres |
|-----|---|--------------------------|
| 82 | T13S, R4W, SLB&M Sec. 18: NE ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ Sec. 19: Lots 2(49.69), 3(49.65), 4(49.62), E ¹ / ₂ NE ¹ / ₄ Sec. 32: NE ¹ / ₄ NE ¹ / ₄ , W ¹ / ₂ E ¹ / ₂ , W ¹ / ₂ | Juab 1028.96 Acres |

160.00 Acres

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Oil, Gas & Associated Hydrocarbons

Juah

LEASING UNIT NO. DESCRIPTION

T13S, R5W, SLB&M

COUNTY/ACRES

LEASING UNIT NO. <u>83</u> CONTAINS ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

| 63 | Sec. 32: All | 640.00 Acres |
|----|---|--------------------------|
| 84 | T14S, R4W, SLB&M Sec. 8: SE ¹ / ₄ Sec. 17: SE ¹ / ₄ NE ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄ , SW ¹ / ₄ SE ¹ / ₄ Sec. 20: E ¹ / ₂ , E ¹ / ₂ SW ¹ / ₄ | Juab 720.00 Acres |
| 85 | T14S, R4W, SLB&M Sec. 29: S½NE¾, SE¾ Sec. 30: Lots 1(40.63), 2(40.77), 3(40.91), 4(41.05), E½W½ | Juab 563.36 Acres |
| 86 | T14S, R5W, SLB&M Sec. 16: All | Juab 640.00 Acres |
| 87 | T14S, R5W, SLB&M Sec. 32: All | Juab 640.00 Acres |
| 88 | T2S, R1W, USB&M Sec. 36: S½SW¼ | Uintah 80.00 Acres |
| 89 | T2S, R2W, USB&M Sec. 36: M&B [Part of N½NE¾] | Duchesne 50.00 Acres |
| 90 | T3S, R1W, USB&M Sec. 3: Lots 3(39.40), 4(39.32) | Duchesne 78.72 Acres |
| 91 | T3S, R1W, USB&M Sec. 4: S½NW¼, N½SW¼ | Duchesne 160.00 Acres |

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| LEASING UNIT NO | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-----------------|---|--------------------------|
| 92 | T4S, R2W, USB&M Sec. 1: S½N½SW¾SW¾, S½SW¾SW¾ | Duchesne 30.00 Acres |
| 93 | T4S, R2W, USB&M Sec. 12: NW ¹ / ₄ | Duchesne 160.00 Acres |
| 94 | T4S, R3W, USB&M Sec. 29: NE ¹ / ₄ SW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ | Duchesne 120.00 Acres |
| 95 | T4S, R3W, USB&M Sec. 31: NE ¹ / ₄ NE ¹ / ₄ , S ¹ / ₂ NE ¹ / ₄ | Duchesne 120.00 Acres |
| 96 | T4S, R3W, USB&M Sec. 32: NW ¹ / ₄ NW ¹ / ₄ | Duchesne 40.00 Acres |

Sec. 19: SE¹/₄NE¹/₄, NE¹/₄SW¹/₄, N¹/₂SE¹/₄

T1N, R1W, USB&M

Oil, Gas & Associated Hydrocarbons

Duchesne

160.00 Acres

Metalliferous Minerals

METALLIFEROUS MINERALS LEASING UNITS

The metalliferous mineral leases on the lands listed below have expired and the lands are available for leasing. These lands are hereby offered for metalliferous minerals lease by competitive filing with the State of Utah, School and Institutional Trust Lands Administration, in accordance with the provisions of State law and Rules Governing the Management and Use of Trust Lands in Utah. The offering of these lands for lease of metalliferous minerals does not guarantee that there are deposits of metalliferous minerals on the selected parcels. The Metalliferous Mineral lease carries a royalty rate of eight (8%) for fissionable metalliferous minerals and four (4%) for non-fissionable metalliferous minerals. The filing period ends at 5:00 P.M., Friday, July 25, 2008. Each applicant should include only one leasing unit per application which must be on the Competitive Lease Offering Application, Metalliferous Mineral Lease Form C-2 (rev. 11-05), or copies thereof as attached to this offering. The lease application must be accompanied by two checks – one for the bonus bid for the leasing unit and one check for the \$30.00 application fee. All application fees are forfeited to the Trust Lands Administration. Minimum annual rental, regardless of acreage shall be no less than \$500.00 or \$1.00 per acre, whichever is larger. The minimum acceptable bid is \$500.00 for lease units containing less than 500 acres or for units containing more than 500 acres, \$1.00 per acre (fractional acres are rounded up to one full acre for each lease unit). The bid is applied to the first year rental payment. Each application must be submitted in a separate, sealed envelope marked: "Sealed bid for competitive filing on Leasing Unit No. metalliferous minerals leasing. Bids to be opened at 10:00 A.M., July 28, 2008, at the School and Institutional Trust Lands Administration's office at 675 East 500 South, Suite 500, Salt Lake City, Utah 84102-2818." No bid will be accepted unless it includes: (1) all the lands offered in a particular lease unit, (2) a separate check for the entire bonus bid and a separate check of \$30.00 for the application fee, and (3) is submitted in the manner required on the Competitive Lease Offering Application, Metalliferous Minerals Application Form C-2 (rev. 11-05). Bid checks of all unsuccessful applicants will be returned to the applicant.

METALLIFEROUS MINERALS LEASING UINTS

| LEASING UN | TT NO. DE | ESCRIPTION | <u>COUNTY/ACRES</u> |
|------------|------------|---|---------------------|
| 98 | T28S, R24 | 4E, SLB&M | San Juan |
| | Sec. 32: N | N ¹ / ₂ S ¹ / ₂ | 160.00 Acres |

July 28, 2008 Page Fifteen Metalliferous Minerals

<u>LEASING UNIT NO.</u> <u>DESCRIPTION</u> <u>COUNTY/ACRES</u>

LEASING UNIT NOS. 99, 100, 101, 102, 103, 104, & 105 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

| 99 | <u>T29S, R15E, SLB&M</u> Sec. 36: All | Wayne 640.00 Acres |
|-----|--|-----------------------|
| 100 | T29S, R16E, SLB&M Sec. 32: All | Wayne |

LEASING UNIT NOS. 101, 102, 103, & 104 ARE IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000.

| 101 | T30S, R15E, SLB&M Sec. 2: Lots 1(39.94), 2(39.93), 3(39.93), 4(39.92), S½N½, S½ (All) | Wayne 639.72 Acres |
|-----|---|--------------------------|
| 102 | <u>T30S, R15E, SLB&M</u> Sec. 16: All | Wayne 640.00 Acres |
| 103 | <u>T30S, R15E, SLB&M</u> Sec. 32: All | Wayne 640.00 Acres |
| 104 | T32S, R15E, SLB&M Sec. 2: Lots 1(39.65), 2(39.57), 3(39.47), 4(39.39), S½N½, S½ (All) | Garfield 638.08 Acres |
| 105 | T34S, R11E, SLB&M Sec. 16: S½ | Garfield 320.00 Acres |
| 106 | T36S, R17E, SLB&M Sec. 16: E½NE¼, SW¼NE¼, E½SW¼, SE¼ | San Juan 360.00 Acres |

COMPETITIVE LEASE OFFERING July 28, 2008 Page Sixteen

| LEASING UNIT I | NO. <u>DESCRIPTION</u> | COUNTY/ACRES |
|----------------|--|------------------------|
| 107 | T11S, R16W, SLB&M Sec. 32: All | Juab 640.00 Acres |
| 108 | T29S, R16W, SLB&M Sec. 36: S½NW¼, N½SW¼ | Beaver 160.00 Acres |
| 109 | T31S, R7W, SLB&M Sec. 36: All | Iron 640.00 Acres |

Metalliferous Minerals

July 28, 2008 Page Seventeen Potash

POTASH LEASING UINTS

The lands listed below are available for lease under the potash lease category. These lands are hereby offered for potash lease by competitive filing with the State of Utah, School and Institutional Trust Lands Administration, in accordance with the provisions of State law and the rules governing the management and use of trust lands in Utah. The offering of these lands for lease of potash does not guarantee that there are deposits of potash on the lands. Each application must include all the lands in the leasing unit and must be on Potash Lease Application, Form F (rev. 12-07), as attached to this competitive lease offering. The filing period ends at 5:00 PM, Friday July, 25, 2008. Each application should include the leasing unit number and be accompanied by two checks, one for the bonus bid for the leasing unit and one check in the amount of \$30.00 to cover the application fee. All application fees are forfeited to the Trust Lands Administration. The minimum acceptable bid is \$4.00 per net acre and for each fractional part of an acre. The minimum bid shall apply to the first year annual lease rental. Annual rentals for each lease year will be \$4.00 per acre. The lease shall be issued for a primary term of ten (10) years with a production royalty of 5% of the gross value, fob the mine, of the leased substance sold. The application must be submitted in a separate, sealed envelope marked: "Sealed bid for competitive filing on Lease Unit No. _____, being offered for potash leasing. Bids to be opened at 10:00 AM, Monday, July 28, 2008, at the School and Institutional Trust Lands Administration office at 675 East 500 South, Suite 500, Salt Lake City, Utah 84102." No bid will be accepted unless it includes: 1) all the lands offered in a particular leasing unit, 2) the entire bonus bid, and 3) is submitted on the attached Potash Leasing Application, Form F (rev. 12-07). The bid checks of all unsuccessful applications will be returned to the applicant.

POTASH LEASING UNITS

| LEASING UNIT NO | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-----------------|---|--------------------------|
| 110 | T28S, R25E, SLB&M Sec. 16: Lots 1(32.45), 2(32.39), 3(32.48), 4(33.23), N½S½ | San Juan 290.55 Acres |
| 111 | T29S, R23E, SLB&M Sec. 2: Lots 1(39.88), 2(39.96), 3(40.04), 4(40.12), S½N½, S½ (All) | San Juan 640.00 Acres |
| 112 | T29S, R23E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 113 | T29S, R23E, SLB&M Sec. 36: All | San Juan 640.00 Acres |

COMPETITIVE LEASE OFFERING July 28, 2008 Page Eighteen

| LEASING UNIT NO | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-----------------|--|---------------------------------------|
| 114 | T29S, R24E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 115 | T29S, R25E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 116 | T29.5S, R24E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 117 | T29.5S, R24E, SLB&M Sec. 36: N ¹ / ₂ NE ¹ / ₄ , W ¹ / ₂ , SW ¹ / ₄ SE ¹ / ₄ | San Juan 440.00 Acres |
| 118 | T30S, R24E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 119 | T30S, R25E, SLB&M Sec. 2: Lots 1(19.36), 2(19.28), 3(19.20), 4(19.12), 5(40.00), 6(40.00), 7(40.00), 8(40.00), 9(40.00), 10(40.00), 11(40.00), 12(40.00), 13(40.00), 14(40.00), 15(40.00), 17(40.00), 18(40.00), 19(40.00), 20(40.00), 21(40.00), 22(40.00), 23(40.00), 25(40.00), 25(40.00), 27(40.00), 27(40.00), S½ (All) | 00), 40.00), 40.00), 40.00), |
| 120 | T30S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 121 | T30S, R25E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 122 | T31S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 123 | T34S, R24E, SLB&M Sec. 2: Lots 1(39.92), 2(40.00), 3(40.08), 4(40.16), S½N½, S½ (All) Sec. 3: Lot 4(40.13) Sec. 4: Lots 1(40.12), 2(40.10), SW¼NE¼, S½NW¼, SW¼, NW¼SE¼ | San Juan 1,080.51 Acres |

Potash

COMPETITIVE LEASE OFFERING July 28, 2008 Page Nineteen

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|----------------------|--|--------------------------------|
| LEASING UNIT NO. | DESCRIPTION | COUNTY/ACRES |
| 124 | T34S, R24E, SLB&M Sec. 6: Lots 6(37.97), 7(38.06), E½SW¼ Sec. 7: Lot 4(38.31), SE¼SW¼ (Restricted Above 400 feet) | San Juan 234.34 Acres |
| 125 | T34S, R24E, SLB&M Sec. 16: All Sec. 17: W½SW¼ Sec. 18: Lots 1(38.36), 2(38.39), M&B [Pa Part of NE¼NW¼] [141.61] (Rest Sec. 18: E½SW¼, SE¼ Sec. 19: NW¼SE¼ | |
| 126 | T34S, R24E, SLB&M Sec. 29: SW ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ Sec. 30: NE ¹ / ₄ SW ¹ / ₄ , N ¹ / ₂ SE ¹ / ₄ Sec. 32: All | San Juan 960.00 Acres |
| 127 | <u>T34S, R24E, SLB&M</u> Sec. 36: All | San Juan 640.00 Acres |
| 128 | T34S R25E, SLB&M Sec. 2: Lots 1(43.06), 2(43.01), 3(42.97), 4(42.92), S½N½, S½ (All) | San Juan 651.96 Acres |
| 129 | <u>T34S, R25E, SLB&M</u> Sec. 32: All | San Juan 640.00 Acres |
| 130 | T34S, R25E, SLB&M Sec. 34: W½ Sec. 35: SE¼SE¼ Sec. 36: All | San Juan 1,000.00 Acres |
| 131 | T34S, R26E, SLB&M Sec. 2: Lots 1(24.63), 2(23.34), 3(23.58), 4(23.82) (All) Sec. 4: Lots 1(42.79), 2(42.76), S½NE¼, Sec. 5: SW¼, S½SE¼ | San Juan 820.92 Acres S½ |

Potash

COMPETITIVE LEASE OFFERING July 28, 2008 **Page Twenty**

| LEASING UNIT NO | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-----------------|--|--------------------------|
| 132 | T35S, R24E, SLB&M Sec. 2: Lots 1(40.20), 2(40.18), 3(40.18), 4(40.16), S½N½, S½ (All) | San Juan 640.72 Acres |
| 133 | T35S, R24E, SLB&M Sec. 7: E½SW¼, SE¼ Sec. 8: W½SW¼ | San Juan 320.00 Acres |
| 134 | T35S, R24E, SLB&M Sec. 16: Lots 1(41.26), 2(40.90), 3(40.54), 4(40.18), S½N½, S½ (All) | San Juan 642.88 Acres |
| 135 | T35S, R24E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 136 | T35S, R24E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 137 | T35S, R25E, SLB&M Sec. 2: Lots 1(39.63), 2(39.61), 3(39.59), 4(39.57), S½N½, S½ (All) | San Juan 638.40 Acres |
| 138 | T35S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 139 | T35S, R25E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 140 | T35S, R25E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 141 | <u>T35S, R26E, SLB&M</u> Sec. 2: Lots 1(29.62), 2(29.57), 3(29.67), 4(29.75) (All) | San Juan 118.61 Acres |
| 142 | T35S, R26E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 143 | T35S, R26E, SLB&M Sec. 32: All | San Juan 640.00 Acres |

Potash

COMPETITIVE LEASE OFFERING July 28, 2008 Page Twenty-One

| LEASING UNIT NO | <u>DESCRIPTION</u> | COUNTY/ACRES |
|-----------------|--|-------------------------------|
| 144 | T36S, R24E, SLB&M Sec. 2: Lots 1(20.90), 2(20.97), 3(21.421.12), S½S½ (All) | San Juan 05), 244.04 Acres |
| 145 | T36S, R24E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 146 | T36S, R24E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 147 | T36S, R24E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 148 | T36S, R25E, SLB&M Sec. 2: Lots 1(20.19), 2(20.12), 3(20.4(19.99), S½S½ (All) | San Juan 06), 240.36 Acres |
| 149 | T36S, R25E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 150 | T36S, R25E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 151 | T36S, R26E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 152 | T37S, R24E, SLB&M Sec. 2: Lots 1(38.47), 2(38.39), 3(38.438.25), S½N½, S½ (All) | San Juan 633.44 Acres |
| 153 | T37S, R24E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 154 | T37S, R25E, SLB&M Sec. 2: Lots 1(38.40), 2(38.31), 3(38.40), 4(38.14), S½N½, S½ (All) | San Juan 633.08 Acres |
| 155 | T37S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |

Potash

COMPETITIVE LEASE OFFERING July 28, 2008

Page Twenty-Two

Potash

San Juan 156 T37S, R25E, SLB&M Sec. 36: All 640.00 Acres

LEASING UNIT NOS. 157 & 158 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

| 157 | T37S, R26E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
|-----|---|--------------------------|
| 158 | T37S, R26E, SLB&M Sec. 32: All | San Juan 640.00 Acres |
| 159 | T38S, R24E, SLB&M Sec. 2: Lots 1(41.44), 2(41.42), 3(41.42), 4(41.40), S½N½, S½ (All) | San Juan 645.68 Acres |
| 160 | T38S, R24E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 161 | T38S, R24E, SLB&M Sec. 36: All | San Juan 640.00 Acres |
| 162 | T38S, R25E, SLB&M Sec. 2: Lots 1(39.69), 2(39.83), 3(39.97), 4(40.11), S½N½, S½ (All) | San Juan 639.60 Acres |
| 163 | T38S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 164 | T38S, R25E, SLB&M Sec. 32: All | San Juan 640.00 Acres |

COMPETITIVE LEASE OFFERING July 28, 2008 Page Twenty-Three

| LEASING UNIT NO | DESCRIPTION | COUNTY/ACRES |
|-----------------|---|-------------------------------|
| 165 | <u>T38S, R26E, SLB&M</u> Sec. 16: All | San Juan 640.00 Acres |
| 166 | <u>T38S, R26E, SLB&M</u> Sec. 32: All | San Juan 640.00 Acres |
| 167 | T39S, R25E, SLB&M Sec. 2: Lots 1(40.02), 2(40.05), 3(40.09) 4(40.12), S½N½, S½ (All) | San Juan 9), 640.28 Acres |
| 168 | T39S, R25E, SLB&M Sec. 16: All | San Juan 640.00 Acres |
| 169 | <u>T39S, R26E, SLB&M</u> Sec. 16: All | San Juan 640.00 Acres |
| 170 | <u>T21S, R12W, SLB&M</u> Sec. 32: All | Millard 640.00 Acres |
| 171 | T22S, R11W, SLB&M Sec. 2: Lots 1(41.95), 2(42.12), 3(42.29), 4(41.29), 5(39.22), 6(39.53), 7(S½NE¼, SE¼NW¼, E½SW¼, Sec. 16: All | 39.84), |
| 172 | T22S, R12W, SLB&M Sec. 16: All Sec. 32: All | Millard 1280.00 Acres |
| 173 | T23S, R12W, SLB&M Sec. 16: All Sec. 32: All Sec. 36: All | Millard 1,920.00 Acres |
| 174 | T24S, R12W, SLB&M Sec. 2: Lots 1(40.80), 2(40.81), 3(40.83) 4(40.82), S½N½, S½ Sec. 16: All | Millard 1), 1,283.24 Acres |

Potash

July 28, 2008 P.

Page Twenty-Four

Bituminous Sands - Asphaltic Sands

BITUMINOUS SANDS – ASPHALTIC SANDS LEASING UNITS

The lands listed below are available for lease under the bituminous sands – asphaltic sands ("tar sands") lease category. As defined by administrative rule, R-850-22-200, the term "bituminous – asphaltic sands" means rock or sand impregnated with asphalt or heavy oil and is synonymous with the term "tar sands". This lease category does not cover any substances, either combustible or non-combustible, which are produced in a gaseous or rarefied state at ordinary temperature and pressure conditions other than gas, which results from artificial introduction of heat. Nor does this category embrace any liquid hydrocarbon substance, which occurs naturally in a liquid form in the earth regardless of depth, including drip gasoline or other natural condensate recovered from gas. The bituminous – asphaltic sands category does not include coal, oil shale, or gilsonite. The Trust Lands Administration does not guarantee that there are deposits of bituminous – asphaltic sands on the selected lands. The offered land have been designated a multiple mineral development (MMD) area and will be managed under Agency rule R850-22-1000. The lands are hereby offered for lease by competitive filing at an initial royalty rate of 8% of the gross value of each marketable product. Minimum annual rental, regardless of acreage shall be no less than \$500.00 or \$1.00 per acre, whichever is the greatest. The lease will also carry an advanced minimum royalty payment of \$10.00 per acres, which will be an annual payment in addition to the annual rental payment. The minimum acceptable bonus bid is listed separately for each leasing unit (See leasing units below). The minimum bonus bid will be applied to the first year annual rental of \$1.00 per acre and the first year advanced annual minimum royalty of \$10.00 per acre. Annual rental and advanced annual minimum royalty can be deducted from actual production royalties for the year in which they accrue. The filing period ends at 5:00 P.M., Friday, July 25, 2008. Each applicant should include only one leasing unit per application which must be on the Competitive Lease Offering Application, Bituminous – Asphaltic Sands Lease Form D (rev. 10-01-07), or copies thereof, as attached to this offering. The application must be accompanied by two checks – one check for the bonus bid for the leasing unit and one check for the \$30.00 application fee. All application fees are forfeited to the Trust Lands Administration. Each application must be submitted in a separate, sealed envelope marked: "Sealed bid for competitive filing on Leasing on Leasing Unit, No. offered for bituminous-asphaltic sands leasing. Bids to be opened at 10:00 A.M., Monday, July 28, 2008, at the School and Institutional Trust Lands Administration's office at 675 East 500 South, Suite 500, Salt Lake City, Utah 84102-2818." No bid will be accepted unless it includes: (1) all the lands offered in a particular lease unit, (2) the entire bonus bid and \$30.00 application fee, and (3) is submitted in the manner required on Bituminous - Asphaltic Sands application form. Bid checks of all unsuccessful applicants will be returned to the applicant.

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Bituminous Sands - Asphaltic Sands

BITUMINOUS SANDS – ASPHALTIC SANDS LEASING UNITS

LEASING UNIT NO. DESCRIPTION COUNTY/ACRES

LEASING UNIT NO. <u>175</u> IS IN A DESIGNATED MULTIPLE MINERAL DEVELOPMENT AREA. FOR MORE INFORMATION, REFER TO THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION RULES AND REGULATIONS AT R-850-22-1000. UNIT IS CURRENTLY LEASED UNDER AN OIL, GAS, & ASSOCIATED HYDROCARBONS LEASE BELOW A DEPTH OF 1000 FEET.

LEASING UNIT NO. <u>175</u> IS LOCATED WITHIN THE USGS ASPHALT RIDGE KNOWN BITUMINOUS - ASPHALTIC SANDS AREA. THE MINIMUM ACCEPTABLE BONUS BID FOR LEASING UNIT NO. <u>175</u> IS \$50.00 PER ACRE AND EACH FRACTIONAL PART OF AN ACRE. THE LEASE WILL INCLUDE THE BITUMINOUS - ASPHALTIC SANDS RESOURCES TO A DEPTH OF 1,000 FEET BELOW THE SURFACE.

175 T4S, R20E, SLB&M

Uintah

1138.22 Acres

Sec. 23: N¹/₂NE¹/₄, E¹/₂W¹/₂, S¹/₂SE¹/₄

Sec. 24: Lots 2(32.30), 3(32.95), 4(32.97),

W¹/₂E¹/₂, N¹/₂NW¹/₄

Sec. 26: E½, E½W½

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION OFFICE USE ONLY COMPETITIVE LEASE OFFERING APPLICATION APPLICATION NO. OIL, GAS AND ASSOCIATED HYDROCARBONS SCH MH Applicant Name: NS SMUNIV Address: DEAF USH City Zip Code State SYDC RES PB Telephone No. USU OTHER TOTAL Applicant hereby applies for an oil, gas & associated hydrocarbons lease on the following described leasing unit located in _____ County, State of Checked by _ Utah, as listed on the Lease Offering. Leasing Unit No. * Sections(s) Twn Rng Meridian Acres REQUIREMENTS AND CONDITIONS: 1) One leasing unit per application form; 2) Applicants are required to submit a check in the amount of \$30.00 as a non-refundable application fee AND a separate check in the amount of the bonus bid; 3) All application fees are forfeited to the School and Institutional Trust Lands Administration; 4) The Applicant offers a minimum bid of \$40.00 or \$2.00 per acre or fraction thereof per annum rental, whichever is greater; 5) Applicant does hereby bid and deposit with this application the sum of \$______ as first year's rental and as a bonus amount to secure a lease for the above described leasing unit; 6) Bonus bid checks will be returned to unsuccessful applicants. The successful Applicant must accept an oil, gas and associated hydrocarbons lease in the form currently offered by the School and Institutional Trust Lands Administration subject to the requirements of the laws of the state of Utah and the rules governing the management of the School and Institutional Trust Lands Administration. Failure of funds or failure to execute a lease within 30 days of receipt shall constitute a forfeiture of the bonus bid and termination of the lease agreement. If the applicant is a firm, association or corporation, the date such entity became qualified to do business in

** Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

Applicant's Signature

**(Attorney-in-fact) Signature

the state of Utah was ___

This bid form cannot be used for bidding on either surface lands or other mineral commodities. (See SITLA Rule R850-3-300.) For questions or information call (801) 538-5100.

FORM B (rev.4/07) This document can be reproduced

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION COMPETITIVE LEASE OFFERING APPLICATION METALLIFEROUS MINERALS APPLICATION

| Applicant Name: | | | _ | MH NS | | |
|--|---|---|--|---|--|---------------------------------------|
| Address: | | | _ | SM UNIV DEAF IB | | |
| City Telephone No. | State | Zip Code | _ | USH SYDC RES PB USU | | |
| Applicant hereby applies leasing unit as listed on t State of Utah, for the pur Metalliferous Minerals. | he Lease Offering, situa | ited in (| County, | OTHER TOTAL Checked by | | |
| Leasing Unit No. * | Section(s) | | Twn | Rng | Meridian | Acres |
| REQUIREMENTS AND (submit a check in the amount the bonus bid; 3) All applicant offers a minimulare rounded up to one full a sum of \$ | unt of \$30.00, as a nonre cation fees are forfeited to m bid of \$500.00 per lea acre) which ever is great as first years renta | fundable application to the School and Ins se unit, regardless of er; 5) Applicant doe I and as a bonus amo | fee, AND stitutional f acreage, s hereby bount to sec | O a separate che Trust Lands A or \$1.00 per action and deposit | eck in the amod administration; cre, (fractional with this appl | ount of (4)The acres ication |
| lease unit; 6) Bonus bid ch The successful Applicant Institutional Trust Lands A governing the managemen execute a lease within 30 cagreement. If the applicant in the State of Utah was | nust accept a metallifero Administration subject to t of the School and Instit lays of receipt shall cons t is a firm, association or | us minerals lease in the requirements of utional Trust Lands titute a forfeiture of | the form of the laws of Administrathe bonus | of the State of Varion. Failure bid and termin | Utah and the roof funds or fanation of the le | ules ilure to ease |
| | | | Applican | t's Signature | | |
| | | | By: ** (Attor | ney-in-fact) Si | ignature | |

** Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

This bid form cannot be used for bidding on either surface or oil, gas & hydrocarbon lands. For questions or information call (801) 538-5100.

FORM C-2 (rev. 11-05)

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OFFICE USE ONLY

APPLICATION NO.

SCH

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION COMPETITIVE LEASE OFFERING APPLICATION POTASH LEASE APPLICATION

| Applicant Name: | | | - | MH NS | | |
|--|--|--|--|--|---|---|
| Address: | | | - | SM UNIV DEAF | | |
| City Telephone No. | State | Zip Code | - | IB USH SYDC RES PB | | |
| Applicant hereby applies leasing unit as listed on the following mineral(s) therefore | ne Lease Offering for | | | USU OTHER TOTAL Checked by | | |
| Leasing Unit No. * | Section(s) | | Twn | Rng | Meridian | Acres |
| | | | | | | |
| | | | | | | - |
| REQUIREMENTS AND C submit a check in the amou the bonus bid; 3) All application offers a minimum are rounded up to one full a a sum of \$ lease unit; 6) Bonus bid che | nt of \$30.00, as a nonreation fees are forfeited a bid of \$500.00 per leacre) which ever is greature as first years rent | efundable application to the School and Insta ase unit, regardless of ter; 5) Applicant does al and as a bonus amo | fee, AN titutiona acreage hereby ount to se | D a separate chal Trust Lands A, or \$4.00 per a bid and deposit | eck in the amount of the control of | ount of ; 4)The l acres lication |
| The successful Applicant m Trust Lands Administration management of the School elease within 30 days of rece If the applicant is a firm, as of Utah was | subject to the requirer and Institutional Trust cipt shall constitute a for sociation or corporation | nents of the laws of th Lands Administration orfeiture of the bonus l | e State of S | of Utah and the e of funds or fa termination of t | rules governing ilure to execut he lease agree | ng the e a ment. |
| | | | Applica | nt's Signature | | |
| | | | By: **(Atto | rnev-in-fact) Si | gnature | |

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FORM F (rev.12--07)

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APPLICATION NO. _

^{**} Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION OFFICE USE ONLY COMPETITIVE LEASE OFFERING APPLICATION APPLICATION NO. BITUMINOUS - ASPHALTIC SANDS SCH MH Applicant Name: NS SMUNIV Address: D&D USH City Zip Code State SYDC RES PB Telephone No. USU OTHER TOTAL Applicant hereby applies for a mineral lease on the following described leasing unit as listed on the Lease Offering for the purpose of mining the Checked by following mineral(s) therefrom: <u>Bituminous – Asphaltic Sands</u> Leasing Unit No. * Section(s) Twn Rng Meridian Acres REQUIREMENTS AND CONDITIONS: 1) One leasing unit per application form; 2) Applicants are required to submit check in the amount of \$30.00, as a nonrefundable application fee, AND a separate check in the amount of the bonus bid; 3) All application fees are forfeited to the School and Institutional Trust Lands Administration; 4) The Applicant offers a minimum bid, and agrees to pay rentals and royalties as described in the particular bituminous – asphaltic sands leasing unit numbered above in this application, as contained in this lease offering; 5) Applicant does hereby bid and deposit with this application a sum of \$ as first years rental and as a bonus amount to secure a lease for the above described leasing unit; 6) Bonus bid checks will be returned to unsuccessful applicants. The successful applicant must accept a bituminous – asphaltic sands lease in the form currently offered by the School and Institutional Trust Lands Administration subject to the requirements of the laws of the State of Utah and the rules governing the management of the School and Institutional Trust Lands Administration. Failure of funds or failure to execute a lease within 30 days of receipt shall constitute a forfeiture of the bonus bid and termination of the lease agreement. If the applicant is a firm, association or corporation, the date such entity became qualified to do business in the State of Utah was Applicant's Signature

** Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

This bid form cannot be used for bidding on either surface or oil, gas & hydrocarbon lands. For questions or information call (801) 538-5100.

FORM D (rev. 10-01-07)

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